Supreme Court, U.S.
FILED
OCT 1 4 '02
OFFICE OF THE CLERK

No. 02-429

In The

Supreme Court of the United States

DETHMERS MANUFACTURING COMPANY, INC.,

Petitioner,

v.

AUTOMATIC EQUIPMENT MFG. CO.,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF OF RESPONDENT AUTOMATIC EQUIPMENT MFG. CO. OPPOSING CERTIORARI

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QUESTIONS PRESENTED

The Court of Appeals for the Federal Circuit declared four of ten claims in Petitioner's patent to be invalid based upon a patent examiner's failure to follow Federal Circuit case law adopted and consistently applied by the United States Patent and Trademark Office ("PTO") as the PTO's interpretation of the regulation at issue. There was no agency adjudicative review of the examiner's decision by the PTO. The issues arising from the decisions below are more accurately phrased:

1. Can a claim in an issued patent be declared invalid by a court when a patent examiner fails to apply the PTO's interpretation of a regulation relating to patentability that relies on Federal Circuit precedent?

2. Is a determination by a patent examiner that a patent application complies with a regulation relating to patentability entitled to complete deference by a court?

CORPORATE DISCLOSURE

The caption accurately lists the parties to the proceeding.

Respondent is Automatic Equipment Manufacturing Co. Respondent does not have a parent corporation. There are no publicly held companies owning ten percent or more of Respondent's stock.

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STATUTORY AND REGULATORY PROVISIONS

I. 5 U.S.C. § 706 (in relevant part)

§ 706 Scope of Review

To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall –

* * *

(2) hold unlawful and set aside agency action, findings, and conclusions found to be –

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

* * *

II. 37 C.F.R. § 1.175 (1996) (in relevant part)

Respondent adds that this regulation cited in the Petition is numbered incorrectly and omits relevant portions.

§ 1.175 Reissue oath or declaration.

(a) Applicants for reissue, in addition to complying with the requirements of § 1.63, must also file with their applications a statement under oath or declaration as follows:

(1) When the applicant verily believes the original patent to be wholly or partly inoperative or invalid, stating such belief and the reasons why.

* * *

(3) When it is claimed that such patent is inoperative or invalid "by reason of the patentee claiming more or less than he had a right to claim in the patent," distinctly specifying the excess or insufficiency in the claims.

* * *

(5) Particularly specifying the errors relied upon, and how they arose or occurred.

(6) Stating that said errors arose "without any deceptive intention" on the part of the applicant.

STATEMENT OF THE CASE

This case does not involve an interpretation of an agency regulation or judicial deference to an agency's interpretation of its regulation. This case involves a single patent examiner's failure to apply to a set of undisputed facts a regulation relating to patentability in a manner consistent with the express interpretation and uniform application of that regulation by the Patent and Trademark Office ("PTO"). The PTO's interpretation adopted and expressly relied on precedent of the Court of Appeals for the Federal Circuit ("Federal Circuit"). The Federal Circuit found the examiner's application of the regulation inconsistent with the PTO's interpretation of the regulation and not in accordance with law. Four of ten claims in a reissue patent were held invalid.

Petitioner, Dethmers Manufacturing Company, Inc. ("Dethmers"), filed a reissue patent application to broaden U.S. Patent Number 5,232,240 in an attempt to encompass products made by Respondent Automatic Equipment

Manufacturing Co. ("Automatic"). The patent examiner initially rejected the reissue application because the declaration filed with the application did not comply with 37 C.F.R. § 1.175 ("Rule 175").[1] Dethmers filed a substitute reissue declaration that the examiner accepted without comment, allowing the reissue application to issue as United States Patent Number Re. 35,482 (the "Reissue Patent"). Dethmers then asserted the Reissue Patent against Automatic by amending a previously-filed complaint.

The district court, mindful of the "heavy burden required for invalidity," granted summary judgment of invalidity because the reissue declarations filed by Dethmers were deficient and the examiner failed to apply Rule 175 properly. (Petition Appendix, hereafter "Pet. App.", 130-43, 188). The court found that genuine issues of material fact prevented the grant of summary judgment on other issues. (Pet. App. 144). These and other invalidity and non-infringement issues remain to be tried in this case.

The Federal Circuit noted there were no facts in dispute, and the question was purely a matter of law,[2] namely, whether the reissue declarations complied with

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[1] All references to this Rule, unless otherwise noted, are to the 1996 version which was in effect for the prosecution and issuance of the Reissue Patent. (Petition Appendix, hereafter "Pet. App." 7). Rule 175 was changed in December 1997, and the current version of this Rule has significantly different requirements.

[2] Dethmers agreed that there are no facts in dispute. "The declaration is self-contained, and either complies with the rule on its face or does not." (Supplemental Br. of Plaintiff-Appellant Dethmers Manufacturing Co., Inc., before the Federal Circuit, at 6).

Rule 175. The Federal Circuit followed its prior case law that had been adopted by the PTO as the agency's interpretation of Rule 175 (Pet. App. 6-8), and analyzed each claim using this interpretation to determine "whether the district court had correctly concluded that the substitute reissue declaration failed to satisfy these requirements." (Pet. App. 9). "The validity of each claim turns on whether the substitute reissue declaration explains every difference in that claim." (Pet. App. 13).

The Federal Circuit agreed with the district court that the examiner failed to follow the PTO's interpretation of Rule 175 that required reissue declarations to "particularly specify each error relied upon, and how they arose or occurred" and to state these "errors arose without any deceptive intention." (Pet. App. 9). Based on this deficiency, the Federal Circuit further agreed with the district court that four of the ten claims were invalid, as a matter of law, because Dethmers' substitute reissue declaration failed to meet the requirements of Rule 175. (Pet. App. 13-22).

Dethmers filed a petition for rehearing and a petition for rehearing en banc with the Federal Circuit, both of which were denied. Opinions dissenting from that denial focus on questioning the level of deference due to an examiner's application of the PTO's interpretation of its regulation to the undisputed facts of record.

REASONS FOR DENYING THE WRIT

Contrary to what Dethmers would have this Court believe, the resolution of this case does not turn on the

level of deference given by the court to the PTO's interpretation of its regulation, Rule 175. (Pet. 10). The courts below applied the interpretation of Rule 175 that originated in and had been consistently and uniformly applied over time by the PTO, and that had been adopted by the holdings of prior Federal Circuit decisions.

Neither does this case turn on the standard of review used by the court to review the actions of the patent examiner. (Pet. 17). Regardless of the review standard used by the court, the examiner did not follow Rule 175, the PTO's interpretation of that Rule, or the Federal Circuit's prior approval of that interpretation.

Dethmers argues that the PTO must be treated the same as other agencies, which means the Administrative Procedures Act ("APA") scope of review provisions apply,[3] but Dethmers fails to mention the APA in its brief. The Federal Circuit's review met those standards because it found the examiner's decision inconsistent with the regulation and not in accordance with law, and properly set aside the examiner's action by holding four of the ten claims invalid.[4]

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[3] 5 U.S.C. § 706.

[4] There are numerous other issues relating to the validity of the patent not presented below in the motion for summary judgment that will be argued at trial. Automatic does not agree that reissue was proper for any of the claims. And, regardless of whether this Court elects to address the questions presented by Dethmers, this case must still go to trial as resolution of those questions will not provide a final determination of the issues in this litigation.

I. This Court Should Deny the Petition for Grant of Certiorari Because the Substantive Outcome of this Case Does Not Stand or Fall on the Question of Deference to a Decision of the Patent Office.

The examiner did not correctly apply the existing PTO interpretation of the law relating to the content of reissue declarations. In reaching this decision, both the district court and the Federal Circuit considered the language of Rule 175 and the PTO's interpretation of the Rule. Extensive discussion regarding the PTO's interpretation of Rule 175 is found in *Nupla Corp. v. IXL Mfg. Co.*, 114 F.3d 191 (Fed. Cir. 1997) and *In re Constant*, 827 F.2d 728 (Fed. Cir. 1987), both of which affirmed and heavily quoted from the Manual of Patent Examining Procedure ("MPEP")[5] and the application of Rule 175 by the Board of Patent Appeals and Interferences ("Board").[6] These are the cases and the interpretation of Rule 175 that the courts below applied. (Pet. App. 7-8).

Dethmers argues that the decision of a single examiner is the official PTO interpretation of a regulation to which deference is due. While the examiner's decision is agency action in the broadest sense, this agency action is not the agency's interpretation of a regulation. As this Court has said, "[I]t is true that an agency's interpretation of a statute or regulation that conflicts with a prior

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[5] The MPEP is the interpretative guidance and instruction to examiners authored by the PTO. *See* note 8, *infra*, and accompanying text.

[6] This is the adjudicative branch of the PTO discussed in greater detail below.

interpretation is 'entitled to considerably less deference' than a consistently held agency view." *Thomas Jefferson Univ. v. Shalala*, 512 U.S. 504, 515 (1994), *quoting INS v. Cardoza-Fonesca*, 480 U.S. 412, 446 n.30 (1987) and *Watt v. Alaska*, 451 U.S. 259, 273 (1981).

The PTO's interpretation of the regulation at issue, Rule 175, is set forth in several sources, some of which are discussed below. As found by the courts below, the examiner's action was inconsistent with the PTO's interpretation of Rule 175 and not in accordance with law.

A. The Federal Circuit ensured that the correct legal standard was applied and did not substitute its judgment for that of the PTO.

Rule 175 required an oath or declaration filed by the inventor to ensure that the requirements of 35 U.S.C. § 251 are met. These statutory requirements include both error in conduct and error in the patent that are to be corrected. *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 882 F.2d 1556, 1564 (Fed. Cir. 1989). Rule 175 specified that the applicant must, *inter alia*, file a statement under oath or declaration "distinctly specifying the excess or insufficiency in the claims," 37 C.F.R. § 1.175(a)(3), and "[p]articularly specifying the errors relied upon, and how they arose or occurred." 37 C.F.R. § 1.175(a)(5). Every departure from the original patent was considered an error under 35 U.S.C. § 251. MPEP § 1444 (6th ed. Rev. 2,

July 1996)[7] (*See* documents lodged with the Court, hereafter "Lodging," page L002).

Dethmers does not argue that it complied with this Rule, but rather argues that some departures from the original patent were not errors that required compliance with the Rule, Pet. App. 141, and that court review of the examiner's decision is "contrary to law" and "manifestly unfair." (Pet. 15). If that were true, then the examiner's decision would be unreviewable.

1. The PTO interpretation of Rule 175 instructed the patent examiner to apply the same rule of law applied by the courts below.

Section 1444 of the MPEP provided:

> The examiner must check that each and every change in the specification or claims is supported in either the original or supplemental oath or declaration. *Every departure from the original patent represents an "error" in said original patent under 35 U.S.C. 251 and must be particularly and distinctly specified and supported in the original, or a supplemental, reissue oath or declaration under 37 C.F.R. 1.175.* Any changes in the specification or claims require an updated supplemental oath or declaration specifically directed and supporting said changes under 37

[7] The 6th edition, Revision 2, issued July 1996, was the edition and revision in effect during the prosecution of the Reissue Patent. This MPEP provision has been changed and now has significantly different requirements.

> C.F.R. 1.175. *See In re Constant*, 827 F.2d 728, 729, 3 USPQ2d 1479, 1480 (Fed. Cir.), *cert. denied* 484 U.S. 894 (1987).

MPEP, § 1444, 6th ed., Rev. 2, July 1996. (Lodging page L002) (emphasis added). While the MPEP is not binding on courts, it is used for guidance and implements the PTO's interpretation of the rules and statutes governing the prosecution of patent applications.[8] *See, e.g., Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 158 note * (1989) (referring to the MPEP regarding what may be patentable). *See, also, Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 166, 172 (1995) (recognizing the Trademark Manual of Examining Procedure as setting forth policy of the Patent and Trademark Office relating to the prosecution of trademark applications).

The MPEP is the source of the language and interpretation of Rule 175 relied upon by both the district court and the Federal Circuit, and sets forth the interpretation

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[8] The MPEP is promulgated by the Commissioner for Patents to be the official interpretation of the Patent Office of the patent statutes and rules. *See, e.g., Molins PLC v. Quigg*, 837 F.2d 1064, 1067 (Fed. Cir. 1988). The MPEP provides:

> This Manual is published to provide U.S. Patent and Trademark Office patent examiners, applicants, attorneys, agents, and representatives of applicants with a reference work on the practices and procedures relative to the prosecution of patent applications before the U.S. Patent and Trademark Office. It contains instructions to examiners, as well as other material in the nature of information and interpretation, and outlines the current procedures which the examiners are required or authorized to follow in appropriate cases in the normal examination of a patent application.

Foreword to MPEP.

of the statute and Rule that the patent examiner is required to use. The PTO's express statutory interpretation stated that all departures from the original patent are errors and must be justified, and it cited the very case relied on by the courts below as controlling authority in the interpretation of the Rule. The PTO has consistently and uniformly identified the interpretation used by the courts below as the PTO's interpretation of the old Rule 175.[9]

Contrary to Dethmers' assertion that the courts below "adopted a stricter construction" of the Rule, Pet. 12, the courts below adopted the *identical* construction of the Rule consistently applied by the PTO. The individual examiner simply failed to follow the PTO's interpretation of Rule 175, and made a decision inconsistent with the regulation and not in accordance with law.

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[9] For example, publication of new Rule 175 included the statement that "the requirement in former § 1.175(a)(5) that it be shown *how the error(s) being relied upon arose or occurred without deceptive intent* on the part of the applicant ... is deleted" and "[t]he current practice under § 1.175(a)(3) and (a)(5) of *specifically identifying all errors* being corrected at the time of filing the initial oath or declaration is not retained." Changes to Patent Practice and Procedure, 62 Fed. Reg. 53131, 53165 (Oct. 10, 1997) (codified at 37 C.F.R. pt. 1, et al.) (emphasis added) (Lodging pages L004-L005). Also, the PTO issued a training package explaining the new Rule, stating that the "[r]eissue oath/dec (37 C.F.R. § 1.175) simplified: *only one error being corrected need be identified instead of all errors*[,] only a general statement as to lack of deceptive intent is required instead of a *detailed showing of facts as to how the errors arose or occurred.*" (emphasis added) (Lodging pages L006-L008, available from the PTO website at http://www.uspto.gov/web/offices/pac/dapp/opla/frule/index.html).

2. The Board of Patent Appeals and Interferences has consistently and uniformly applied an interpretation of Rule 175 identical to that articulated by the Federal Circuit.

The Board is established by statute and is composed of administrative patent judges who are to "review adverse decisions of examiners upon applications for patents . . . ." 35 U.S.C. § 6.[10] Generally, a third party may not invoke review by the Board.[11]

The Rule 175 interpretation consistently applied by the Board was identical to that applied by the courts below. And, at the time of the reissue application, the Board consistently cited the same cases as the courts below for the proper interpretation of old Rule 175.[12]

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[10] The Board also includes the Director, the Commissioner for Patents, and the Commissioner for Trademarks. 35 U.S.C. § 6(a). "The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Director." *Id.*

[11] Board review may be initiated by a third party in limited circumstances, not applicable in the present case. 35 U.S.C. § 134.

[12] The following Board cases all cite *Constant* and *Nupla* for the proper interpretation of Rule 175. These cases are not citable for precedential value, but presented to show the application of the law by the PTO adjudicative body: *Ex parte Turner*, Appeal No. 97-0170, pp. 14-15 (Bd. Pat. App. & Int., Aug. 7, 1997) (entering *sua sponte* a rejection under Rule 175). (Lodging pages L009, L022-L023); *Ex parte Tachiuchi et al.*, Appeal No. 97-0574, pp. 11-16 (Bd Pat. App. & Int., June 9, 1997) (Lodging pages L031, L042-L045); *Ex parte Oetiker*, Appeal No. 96-4146, pp. 36-40 (Bd. Pat. App. & Int., Jan. 13, 1997) (Lodging pages L050, L085-L086); and *Ex parte Ballard*, Appeal No. 96-4038, pp. 5-9 (Bd. Pat. App. & Int.) (Lodging pages L114, L118-L119). Each of these decisions is available from the PTO website at http://www.uspto.gov/web/offices/dcom/bpai/bpai.htm

Had the reissue application been brought before the Board for any reason, the Board would have applied, even *sua sponte*, the identical interpretation of Rule 175 as that applied by the courts below and found the reissue declaration defective. *See Ex parte Turner*, Appeal No. 97-0170, pp. 14-15 (Bd. Pat. App. & Int., Aug. 7, 1997) (entering *sua sponte* a rejection under Rule 175 for failure of the declarations to specify and support all departures from the original patent, including replacing the word "within" with "between.") (Lodging page L022-L023).

3. The Commissioner requested the Federal Circuit to publish the *In re Constant* decision to establish the interpretation set forth therein as precedential to eliminate this very issue.

In *In re Constant*, the Federal Circuit quoted the MPEP for the official interpretation of the Rule applied by the Board, which required that "every departure from the original patent . . . must be particularly and distinctly specified and supported in the original, or a supplemental, reissue oath or declaration under [37 C.F.R.] § 1.175." *Constant*, 827 F.2d at 729, quoting MPEP § 1444.

The decision originally issued as an unpublished decision, not citable as precedent. (Lodging pages L130-L132). The Commissioner moved to have the opinion published to establish precedential value, which the Federal Circuit granted. (Lodging pages L126-L133). "The Commissioner anticipates that publication of this opinion would result in far greater compliance with PTO practice and, thus, fewer rejections. Publication would also tend to eliminate the issue in future appeals." (Lodging pages

L127-L128). After publication of this decision, the MPEP was amended to refer specifically to *Constant* as controlling authority.[13]

The decision in *Constant* was published expressly to eliminate the necessity of the courts below deciding, again, the proper interpretation and application of Rule 175. The issue in this case is the very same issue that the Commissioner tried to avoid by the publication of *Constant*.

4. The PTO counsel's current position on the application and enforcement of the old Rule is entitled to very little weight.

Dethmers attempts to make much from the PTO's amicus brief below by arguing that the PTO "recognized the importance of deferring to the PTO," Pet. 11-12, and "agrees" that the court should give "deference to the PTO's interpretation." (Pet. 13). Dethmers further asserts that "[s]uch deference is reinforced when, as here, agency counsel supports the action taken . . . ." (Pet. 12).

A position taken by agency counsel in litigation may or may not correctly reflect the actual agency position. "[A] litigating position cannot repeal an extant regulation. And in many situations there may be reason to doubt whether the position taken by a low-level agency litigator, or perhaps even by the general counsel, has the approval of the agency head." Antonin Scalia, *Judicial Deference to*

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[13] *See* section I.A(1), *supra*, quoting the relevant portion of the MPEP.

Administrative Interpretations of Law, 1989 Duke L.J. 511, 519 (1989). *See also Martin v. Occupational Health & Safety Review Comm'n*, 499 U.S. 149, 156 (1991) ("Our decisions indicate that agency 'litigating positions' are not entitled to deference when they are merely appellate counsel's 'post hoc rationalizations' for agency action."); *Bowen v. Georgetown Univ. Hospital*, 488 U.S. 204, 213 (1988) ("Deference to what appears to be nothing more than an agency's convenient litigating position [relating to agency interpretation of regulations] would be entirely inappropriate.").

Even if the position taken by the PTO counsel in its amicus brief below accurately reflects the current agency position, it is entitled to little deference because the present position is inconsistent with the prior interpretation consistently held by the PTO. *See, e.g., Thomas Jefferson Univ. v. Shalala*, 512 U.S. at 515; *INS v. Cardoza-Fonesca*, 480 U.S. at 446 n.30; *Watt v. Alaska*, 451 U.S. at 273.

B. The Administrative Procedures Act and the law of this Court provide that a court shall set aside an agency action found to be inconsistent with a regulation or not in accordance with law.

Dethmers argues that a court must defer to the PTO's interpretation of its own regulations, but does not urge that the agency review provisions in the APA at 5 U.S.C. § 706 should apply. Instead, Dethmers cites *Bowles v. Seminole Rock & Sand Co.*, 325 U.S. 410 (1945), and a string of cases purporting to support the proposition that complete deference be given to the examiner. These cases, for the most part, apply the APA to govern review of

agency decisions. Dethmers does not reference the APA because the decision of the Federal Circuit below is consistent with the agency review provisions of the APA.

The APA provides that:

> the reviewing court shall decide all relevant questions of law . . . and determine the meaning or applicability of the terms of an agency action. . . . The reviewing court shall
>
> * * *
>
> (2) hold unlawful and set aside agency action, findings, and conclusions found to be –
>
> (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

5 U.S.C. § 706(2)(A). Thus, if an agency action is not in accordance with law, the court shall set it aside. That is exactly what the courts below did by holding four of the ten claims invalid.

Dethmers equates the examiner's action with the PTO's interpretation of the regulation and, thus, is entitled to complete deference. "However, courts do not simply rubber stamp agency interpretation of rules." KENNETH C. DAVIS & RICHARD J. PIERCE, Administrative Law Treatise § 6.10 at 282 (3d ed. 1994). Moreover, "many cases rejecting agency interpretation of legislative rules illustrate important reasons why courts *sometimes* refuse to adopt an agency's interpretation of its own rule." *Id.*, and cases cited therein (emphasis in original). And in *Anderson v. Edwards*, this Court interpreted an administrative rule without deference to the agency. *Anderson v. Edwards*, 514 U.S. 143, 157 n.7 (1995) ("Because we have independently reached the same conclusion [relating to an agency rule],

we have no occasion to decide whether we must defer to the agency's position.").

Dethmers' assertion that a court should give complete deference to the decision of a lower-level agency employee, the patent examiner, does not withstand scrutiny. Here there was no review by the PTO to determine whether the examiner followed the PTO's interpretation of Rule 175. The courts below applied the same interpretation consistently and uniformly applied by the PTO, and found the examiner's action for four of the ten claims not in accordance with law and set aside that action. This is consistent with the APA scope of review.

The cases cited by Dethmers center around this Court's decision in *Seminole Rock* and other cases that reviewed findings of fact or the validity of a regulation or presented other review issues different from the present case. These court reviews almost always occurred after substantial agency review of the issue, and do not address application of a regulation by an agency employee that is inconsistent with the agency's interpretation of a regulation. They do not stand for complete deference to an agency decision, as proposed by Dethmers, but recognize that if the agency action is "plainly erroneous" or "inconsistent with the regulation," then the agency action is not to be given deference. The Federal Circuit found that the examiner's decision in this case was plainly erroneous and inconsistent with the regulation, as interpreted and applied by the PTO.

This Court recently stated that APA review standards in 5 U.S.C. § 706 apply when the Federal Circuit reviews findings of fact by the PTO. *Dickinson v. Zurko*, 527 U.S. 150, 152 (1999). In *Zurko*, the examiner rejected a patent

application in light of a factual finding related to prior art. The applicant appealed to the Board, which upheld the rejection, and to the Federal Circuit, which treated the determination as one of fact. *Id.* at 153.

The present case is distinguishable from *Zurko*. Here, there are no factual findings under review, there was no review of the examiner's decision by the Board, and the court review was not initiated by the patent applicant. Unlike in *Zurko*, the party adversely affected by the examiner's action, Automatic, is a third party against whom Dethmers is asserting the patent and had no opportunity for agency review of the examiner's action. Furthermore, the courts below found that the examiner's decision was not in accordance with law. Therefore, under § 706(2)(a), the court is required ("shall") to set aside the agency action.

If the Board had reviewed the examiner's decision, there would at least be a discussion of that decision for court review. The examiner provided no discussion or comment relating to the acceptance of the substitute declaration, so there is nothing to review but the decision itself. Even Dethmers admits that the declaration itself needs no interpretation or outside evidence, but stands or falls on its face. *See* note 2, *supra*. Consequently, the courts below could only evaluate the declaration on its face using the precedential interpretations of Rule 175.

One of the cases cited in the Petition directly supports court review of the application of the rules by the examiner. In *United States ex rel. Steinmetz v. Allen*, this Court found that "the primary examiner did not follow the rules" relating to the "procedure on appeal" of an adverse decision to the examiners-in-chief (the Board), and directed

the lower court to issue a writ of mandamus to compel the examiner to comply with the rules. *United States ex rel. Steinmetz v. Allen,* 192 U.S. 543, 564, 566 (1904). The rule that the examiner failed to comply with in *Steinmetz* was a purely procedural rule. In the present case, the examiner also failed to follow a rule, and the courts below, like the Court in *Allen*, corrected the failure.

The Federal Circuit stated that the standard of review applied in this case was a de novo standard, following the decisions in *Nupla* and *Constant*. (Pet. App. 8). What the Federal Circuit failed to articulate was that the interpretation of the Rule applied by the court was *identical to* that expressly adopted and uniformly applied by the PTO itself, as detailed above. The Federal Circuit merely reviewed the decision of a single examiner under one set of undisputed facts, and ensured the PTO's express interpretation of its own regulation was properly applied. By setting aside the examiner's action for four of the claims, the Federal Circuit's decision comports with the precedent of this Court and the APA judicial review provisions.

II. The Court Decisions Below Did Not Ignore the Presumption of Validity of an Issued Patent, But Found That the Presumption was Overcome by Clear and Convincing Evidence.

Dethmers incorrectly asserts that the decisions below ignore and have "eviscerated the presumption of validity" due to an issued patent. (Pet. 13). On the contrary, the district court was "mindful of the drastic effect of such a conclusion [of invalidity] and the heavy burden required for proof of invalidity," Pet. App. 142, and knew that "[i]n deciding a motion for summary judgment of invalidity the heightened burden of proof of clear and convincing

evidence must be considered." (Pet. App. 113, citations omitted). After reviewing each individual claim to determine if the district court's determination was correct, the Federal Circuit held that such heavy burden was met in affirming four of the ten claims as invalid.

Dethmers also asserts that the Federal Circuit found claims invalid "that would otherwise be valid under § 251" and that such decision is "inconsistent with law." (Pet. 15; Question 1). Neither the district court nor the Federal Court stated that the claims would otherwise be valid except for the present decision. The district court found, and the Federal Circuit agreed, that Automatic was not entitled to summary judgment of invalidity of the Reissue Patent on some questions related to the statutory requirements under § 251 because there exist genuine issues of material fact. (Pet. App. 144). It is an inversion of logic to parlay that finding into a statement that all of the claims of the patent would "otherwise be valid under § 251." (Pet. 15).

Section 251 requires, *inter alia*, a patent to have "*error without any deceptive intent*" in order for a reissue patent to be available. 35 U.S.C. § 251 (emphasis added). The Federal Circuit found that claims 4 through 7 failed to meet these statutory requirements.

For example, the Federal Circuit found that there is no specification of the error in claim 4 and no indication "that the error arose *without deceptive intent*." (Pet. App. 17) (emphasis added). Thus, claim 4 does not satisfy the statutory requirement of "error without any deceptive intent." The reissue declaration states that there "is no substantive difference in scope" between claim 5 and original claim 1. (Pet. App. 17). The statute requires an

error to correct and claim 5 does not identify or correct any error. (Pet. App. 18). The reissue declaration "does not state that the error arose without deceptive intent" in relation to claim 6. (Pet. App. 19). Thus, the statutory requirement of "without deceptive intent" was not met for this claim. So, notwithstanding Dethmers' argument that the court below "inverts the hierarchy between regulations and statutes," Pet. 14, and that the patent "would otherwise be valid under § 251," Pet. 15, the Federal Circuit found otherwise.

III. The Issues in this Case Are of Extremely Limited Applicability and Are Not Likely to Have Broad Impact.

The substantive issue in this case relates to the compliance of Dethmers with the old version of Rule 175. (Pet. App. 6-7). The current version of the Rule, which became effective December 1, 1997, is significantly more liberal than the version at issue in this case. (Pet. App. 7 n.1). The substantive resolution of this case, therefore, will affect, at most, those reissue patents issued before December 1, 1997, that have not expired.[14]

Dethmers attempts to convince this Court that the Federal Circuit decision below has already been relied upon by courts for refusal to defer to the PTO, and cites two cases purporting to rely on the decision below. (Pet. 17-19). Dethmers mistakenly asserts that "based on the

[14] Patents, generally, expire 20 years after the date on which the earliest application from which the patent claims priority was filed. 35 U.S.C. § 154.

holding of the present case," "the Federal Circuit failed to give deference to the PTO's interpretation of" an interference rule in the case of *In re McDaniel*, 293 F.3d 1379 (Fed. Cir. 2002). (Pet. 17-18).

That case does not deal with interference practice at all, but was a review of a Board decision after an examiner's rejection of several claims for obviousness and anticipation (35 U.S.C. §§ 102, 103). There was no interference rule interpreted, or even mentioned, by the PTO or the court.[15] Moreover, as correctly noted by Dethmers, the original opinion had no reference to the decision below, and an errata sheet was issued to add that reference. Dethmers flatly misstates, however, that "it appeared that the Federal Circuit was giving deference to PTO interpretations of its own rules in direct review cases." (Pet. 18 n.2).

The addition of the reference to the decision below *did not change* the analysis or the holding of the court, which was *not* based on the decision here below, that states "[b]ecause the Board's interpretation ignores the requirement in the text of the regulation . . . the Board's interpretation was both plainly erroneous and inconsistent with the regulation. The Board's disposition of claims 55-57 was, thus, 'not in accordance with law,' *5 U.S.C. § 706,* and is hereby vacated." *McDaniel*, 293 F.3d at 1385. The court's holding in *McDaniel* cites and applies *Seminole Rock* and

[15] The rule at issue in *McDaniel* related to the selection by the Board of a representative claim for each ground of rejection upon which to decide the appeal. The Board improperly interpreted the rule to allow selection of a single claim to represent claims not subject to a common ground of rejection.

the APA, and is consistent with decisions from this Court as well as the decision here below, because the *McDaniel* court found the PTO decision "plainly erroneous," "inconsistent with the regulation," and "not in accordance with the law."

In the other case cited by Dethmers, the PTO expressly declined to reach the issue to which Dethmers asserts no deference was given. "Indeed, the PTO expressly declined to reach this issue [regarding accepting a supplemental reissue declaration after issuance as a cure for a Rule 175 violation]. . . . As a result, the PTO *has not issued a decision* on cure that is entitled to deference, even if such deference is required." *Chamberlain Group, Inc. v. Interlogix, Inc.*, 2002 U.S. Dist. LEXIS 16160, *6-7 (Fed. Cir. Aug. 28, 2002) (emphasis added). So there was no PTO decision to which deference could be given.

Moreover, the dire consequences asserted by Dethmers that this decision "creates a serious anomaly in patent law," Pet. 11, "casts a shadow over the validity of every issued patent," Pet. 14, and "patentees and the public are left to guess what interpretation the court will use," Pet. 14, are unfounded. The courts below applied the same interpretation of the regulations as has been applied by the PTO since at least 1987.

Contrary to Dethmers' assertion that this decision was made "without giving any weight to the PTO's interpretation," Pet. 14, it provides just the kind of "certainty and predictability" that Dethmers asserts is "vital to the protection of intellectual property," Pet. 14, because it applies the same interpretation of Rule 175 that had been repeatedly and uniformly applied by the PTO. If an applicant is not required to comply with the regulations, then

the patent process will be exposed to the uncertainty and unpredictability that Dethmers claims casts a shadow over patent validity and leaves the public to guess regarding patent validity.

The substantive issues of this case only affect unexpired reissue patents issued before December 1, 1997, an extremely small number. Consequently, there is no "shadow" relating to "every issued patent." There is little reason for this Court to take up an issue having such narrow reach and limited applicability.

IV. The Documents Lodged With the Court by Automatic Are Those of Which Judicial Notice May Properly Be Taken.

For the convenience of the Court, Automatic has lodged with the Court several of the documents referenced above, all of which are appropriate for judicial notice. The Court may take judicial notice of the records of the government. "A judicially noticed fact must be one not subject to reasonable dispute in that it is . . . capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Fed. R. Evid. 201(b). *See Massachusetts v. Westcott*, 431 U.S. 322, 323 n.2 (1977) (extending judicial notice to records of the Coast Guard); *Roemer et al. v. Board of Public Works of Maryland*, 426 U.S. 736 (1976) (judicial notice of the rules and regulations of the Board of Public Works); *United States v. Penn Foundry & Mfg. Co., Inc.*, 337 U.S. 198, 216 (1949) (stating that "reports, rules and regulations of agencies" are entitled to judicial notice); *Bowles v. United States*, 319 U.S. 33 (1943).

The documents lodged with the Court that are referenced above include copies of MPEP § 1444, the Federal Register notice, PTO training slides for implementation of new Rule 175, the unpublished Board decisions, and the motion filed by the Commissioner for publication of the *In re Constant* decision. These are all appropriate for judicial notice according to the standards of this Court.

CONCLUSION

For the reasons and authorities stated above, Automatic submits that the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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